Waycross Cable Company

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JOHN HARRISON PRESIDENT

April 1, 2005

Ms. Marlene H. Dortch Office of the Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, DC 20554

RE: American Cable Association Petition for Rulemaking, RM-11203

Dear Ms. Dortch:

On behalf of Waycross Cable Company, I write to express our strongest support for ACA's petition for rulemaking on retransmission consent. I operate an independent cable company that serves customers in a small town in South Georgia and I can verify that the petition accurately describes the upcoming retransmission consent crisis. Broadcasters, including those in my markets, have made it clear that they will force us to charge a fee per subscriber per month for basic cable, to cover new demands of cash for carriage. ACA's solution to this problem is procompetition, pro-consumer, and deregulatory. It will benefit the consumers served by my company and will help keep down the costs of basic cable.

Provided below is some information about my company and why we think the Commission needs to grant ACA's petition.

## Company background

Our company is family owned and began providing cable service in 1964.

We have invested in upgrading our system, have launched digital cable, and began offering broadband in our system 4 years ago. We will launch HD services on May 1, 2005. DBS competition has been a strong competitor in our markets, taking subscribers and making it difficult to increase rates. At the same time, programming costs have increased far ahead of inflation. I estimate that programming costs have increased by more than 12% per year for the last five years.

The broadcasters' demands for dollars per month presents a major problem. Because our margins are already stretched thin, we have no choice but to pass this cost onto our customers. They will be angry.

## Why we support ACA's Petition

Basically, all that ACA asks for is a right for us to shop and only when a broadcaster demands a price for retransmission consent. In my markets, I know this will work to lower the cost of retransmission consent for my customers.

First, I know that I could obtain network programming at a lower cost from other broadcasters. I can do this by receiving signals from neighboring markets.

Second, if the broadcasters in my market know alternatives exist, I am confident I will be able to negotiate a lower price. That works in every type of transaction, and it will work in retransmission consent.

By making the limited changes requested by ACA, the Commission will bring some market discipline to retransmission consent "pricing." This will help to keep our costs down and will benefit our consumers.

## Our concern for localism

As a final point, I want the Commission to know that we support local broadcasting and prefer to carry our local broadcasters. We currently provide 24 hours daily of local programming on our cable system. We understand the importance of local programming, but we also understand how much our customers are willing to pay for it. The problem is the higher prices being demanded by more and more owners of these stations. Most often the owners are based in corporate headquarters hundreds or thousands of miles away. Frankly, they don't care about localism. They just want our customers' money.

We fully support a fair exchange of value for carriage of local signals. But when broadcasters demand a "price," we need the ability to "shop" to get a "price" that fairly reflects the value of the signal. Please act on ACA's Petition as soon as you can.

Sincerely

John Harrison

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